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Culver not interested in gas tax increase

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DES MOINES — Gov. Chet Culver said Wednesday he is not interested in raising the state gasoline tax to generate revenue for addressing Iowa's pressing transportation needs.

"With the record high gas prices, it makes no sense right now to even put that on the table as far as I'm concerned," Culver said in an interview at the Iowa State Fairgrounds.

"We are interested in an infrastructure package where we are going to need some additional revenue, but there are a lot of alternatives other than raising the gas tax that I'm interested in," he said.

A legislative study panel is expected to consider ways to address a projected shortfall of about \$200 million a year identified in the Iowa Department of Transportation-led TIME 21 analysis. That problem likely will be exacerbated by predictions that the federal Highway Trust Fund, which funds Iowa highway projects, faces declining revenues in fiscal 2009.

Last session, state lawmakers discussed raising vehicle registration and licensing fees, and possibly even increasing the state tax on diesel fuel, but they were unable to find consensus on a package that could garner bipartisan support for passage. Before adjourning, the Legislature appointed an interim committee to study revenue options and make recommendations to the General Assembly by Jan. 1.

Given the significant bridge and road infrastructure needs statewide, the governor said he believes the state must

come up with additional infrastructure funding and has asked state Department of Transportation Director Nancy Richardson to present him with recommendations on critical funding needs.

He expects to present an infrastructure package to the Legislature next session.



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“I’m very open to hearing what they (legislators) have to say, and I will work with them to come up with the funding required to at least take care of our most immediate needs,” Culver said.

The 2007 Legislature established the framework for a special fund to address the state’s critical road-building needs but put off a decision on how to raise the needed revenue until next session.

Lawmakers agreed to create a “TIME-21” fund with a new distribution formula that would provide 60 percent of the new revenue to the state and equally split the remaining share between cities and counties. The regular road use tax fund would remain under the current formula: 47.5 percent to the state’s primary road fund for use on interstate highways and stateowned roads, 24.5 percent to the secondary roads, 20 percent to cities and 8 percent to farm-to-market roads.

The newly named “Transportation Investment Moves the Economy in the 21st Century” fund is designed to address problems identified by the state DOT, which found Iowa faces a \$27.7 billion transportation funding shortage over the next 20 years.

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